

CAI  
SB 1  
- A56



DOMINION OF CANADA

*Canada*  
AGRICULTURAL SUPPLIES BOARD  
( and )  
( AGRICULTURAL FOOD BOARD )

---

*614*  
Report for year ended 31 March, 1945.

---

*1944/45*

Together with Reviews of Activities of:-

Dairy Products Board  
Meat Board  
Special Products Board

---

Dominion Department of Agriculture  
Confederation Building  
Ottawa









# AGRICULTURAL SUPPLIES BOARD

and

## AGRICULTURAL FOOD BOARD

Report for the Year Ended March 31, 1945.

In the following pages the sixth Annual Report of the Agricultural Supplies Board is presented, and the second Annual Report of the Agricultural Food Board. The activities of the Dairy Products Board, the Meat Board and the Special Products Board are also reviewed.

An Appendix is included showing the main financial assistance extended through the Agricultural Supplies Board since the outbreak of war and also the quantity and value of products exported to Great Britain and allied countries by the various Commodity Boards.

### TABLE OF CONTENTS

#### AGRICULTURAL SUPPLIES BOARD

	<u>Page</u>
Introduction	1
Organization	1
Contacts with British Authorities, Etc.	1
Meetings and Conferences, Etc.	1
Co-operation with the Provinces	1
Bonus on Clean Wool	2
Conference on Canadian Agricultural Program for 1945	2
Oil-bearing Crops	2
Home and Community Gardens	2
Live Stock Feeding	2
Fertilizer Subventions	2
Agricultural Lime	2
Dominion- Provincial Seed Program	2
Fibre Flax	3
Wartime Pamphlets	3
Supplies to the United Kingdom	3
Miscellaneous	3
Regulation of the Export of Seed Potatoes	3
Vegetable Dehydration	3
Whey for the Manufacture of Penicillin	3
Collection of Milkweed Pods	4
Keeping the Public Informed	4
Assistance in Apple Marketing	4
British Columbia	4
Nova Scotia	5
Safeguarding Supplies Needed in Production	5



	<u>Page</u>
Feeds Administration	5
Freight Assistance Policy	6
Amount Paid in Freight Assistance	6
Feed Wheat Payment Policy	9
Millfeeds	9
Protein Feeds	9
Fertilizers and Pesticides Administration	9
Fertilizers	9
Supplies of Fertilizers required in Canada	9
Fertilizer Production and Supply	9
Direction of Fertilizer Use	10
Direction of Distribution of Fertilizers	10
Fertilizer Freight Assistance	10
Agricultural Lime Subsidies	10
Import Freight Subsidies	11
Fertilizer Purchases	11
Fertilizer Prices	11
Combined Food Board	11
Pesticides	12
Pesticides Prices	12
Pesticides 1945	13
Seeds Administration	13
Alfalfa, Clovers and Grass Seeds	13
Field Root and Garden Vegetable Seeds	13
Other Seeds	14
Flax Fibre Administration	14
General Comment	14
Construction of Mills	14
Production	14
Inspection and Grading	15
Purchase and Resale	15

#### AGRICULTURAL FOOD BOARD

Organization	15
Administration	15
Subsidy Program	15
Dairy Subsidies	16
Subsidies Payable on Dairy Products	17
Total Subsidies Paid on Dairy Products	18
Canning Crop Subsidies	19
Subsidies on Berries for Jam and Canning	21
Subsidy on White and Yellow Eye Dried Beans	22
Audit	23

#### REPORTS OF ALLIED BOARDS

Dairy Products Board	23
Meat Board	24
Special Products Board	25
Poultry Products Section	26
Fruit and Vegetable Section	26
Flax Fibre Section	27
Field and Vegetable Seeds Section	27
Certified Seed Potato Section	29

#### APPENDIX

Financial Assistance	1, 11 & 111
Products Exported	1V, V & VI



## AGRICULTURAL SUPPLIES BOARD

The third annual Dominion-Provincial Conference to plan the agricultural program for 1945 was held in December of 1944. Actually this was the twelfth conference called during the war to discuss agricultural production and the supplies required, but since 1942 it has been possible to gauge food requirements sufficiently well to hold annual conferences at which a complete production and supply program for the succeeding years could be planned.

The conference held in 1944 followed closely the procedure of the previous years, and preliminary reports on each commodity were prepared and distributed to the official delegates prior to the conference. The work of preparing this material was done by a central committee representative of the Department of Agriculture, Department of Trade and Commerce, Wartime Prices and Trade Board and certain other government departments directly concerned with food requirements. The Conference was attended by officials of provincial departments of agriculture, as well as representatives of various producer organizations and representatives of the farm press. The Dominion Government was represented at the Conference by the Hon. James G. Gardiner, Minister of Agriculture, officials of the Agricultural Supplies Board, the Wartime Prices and Trade Board, and by members of the various committees that had prepared the reports presented for consideration. On the final day the Ministers of Agriculture of most of the provincial governments were present.

Because of the importance of labour in the agricultural program, officials of the Agricultural Division of the Department of Labour, including provincial and regional officers, attended the opening and closing day of the Conference, and at the first session an address on farm labour was given by Mr. Arthur Macnamara, Director of National Selective Service. Mr. R. W. Gallup, Assistant Administrator of Farm Machinery discussed problems of machinery distribution with Provincial Deputy Ministers of Agriculture and was available throughout the Conference to answer problems arising in connection with farm machinery.

A preliminary statement of the 1945 agricultural requirements was released early in 1945, and later, all the commodity reports together with suggested recommendations, were published as a bulletin for distribution through Provincial Departments of Agriculture and other official agencies to act as a guide to agricultural workers in planning the farm program for 1945.

Organization - During the year under review the organization of the Board remained substantially as outlined in the previous annual report, that is, the Board with an Economic Adviser, a Technical Adviser on Equipment and Containers, a Technical Adviser on Fruit and Vegetable Processing, and Administrators responsible to the Board for supplies of seeds, feeds, fertilizers and pesticides, and fibre flax. As previously, the Administrators remained responsible to the Wartime Prices and Trade Board for price ceiling policies.

Contacts with British and Other Authorities - Early in 1942 the British Food Mission established an office in Ottawa. This has enabled the Board to keep in close touch with representatives of the British Government. The increasing requirements in the domestic market and the interrelation of agricultural supplies with the Government ceiling price policy necessitated close collaboration with the Food Administration of the Wartime Prices and Trade Board.

Meetings and Conferences - Apart from regular meetings of the Board, numerous conferences were also held between the Board and various groups interested in supply or other problems relating to Canada's agricultural wartime program.

## CO-OPERATION WITH THE PROVINCES

Bonus on Clean Wool - This program which was first approved to apply to the 1943 wool clip was continued for the clip of 1944. Under it the Dominion



Government contributes an equal share (not exceeding two cents a pound) with any Provincial Government which pays a bonus on wool prepared in accordance with specified regulations as to cleanliness and method of wrapping the fleece. The object of the bonus is not necessarily to obtain a great quantity of wool, but rather to emphasize the importance to the farmer of improved quality in the Canadian wool clip both for wartime needs and the future peace-time market. The bonus plan will also be continued for the 1945 wool clip.

Conference on Canadian Agricultural Program for 1945 - A Dominion-Provincial Conference was held in Ottawa during December, 1944, to plan the agricultural program for 1945. This Conference is covered in some detail in the introduction to this report.

Oil-bearing Crops - In order to ensure adequate supplies of both rape and sunflower seed, the Board purchased in 1942 and 1943 seed for seeding in the years 1943 and 1944. Care was taken to obtain the best seed possible and after cleaning and testing, it was sold to producers at cost price. By 1944 sufficient good seed was in the possession of producers and dealers, and it was not necessary for the Board to make any purchases for this purpose in 1944.

Home and Community Gardens - The campaign for wartime gardening in 1944 proved most satisfactory. Through the co-operation of Provincial Department of Agriculture and local organizations such as municipal councils, horticultural societies, women's institutes, service clubs, and a number of commercial firms, the number of gardens exceeded that of the previous year by an estimated 16,800. A survey conducted in the winter of 1944 indicated that approximately 60,500 tons of vegetables were produced in 226,000 wartime gardens in urban centres with a population of 1,000 or over. This number does not include the many thousands of gardens that were cultivated in villages and on farms. Twenty-nine different kinds of vegetables were grown, the most popular being carrots, tomatoes, beets, beans, onions and lettuce. Cucumbers, peas, potatoes and radish were less popular, but were grown quite extensively. This substantial tonnage of vegetables grown by wartime gardeners, in addition to being an important contribution to the wartime supply, represented a considerable saving in transportation of highly perishable products. The vegetables grown also enabled greater quantities of vegetables from commercial gardens to be canned and dehydrated. A similar program will be undertaken during 1945.

Live Stock Feeding - The policy of freight assistance on the movement of Western grown grains, and millfeeds derived therefrom, from Fort William east, and from Calgary/Edmonton west, for live stock feeding, was continued throughout the year as was the plan to store Western feeds in Eastern Canada. The subsidy on certain of the lower grades of wheat when used for live stock feed was also maintained. These programs are reviewed in more detail in the section of the Feeds Administration.

Fertilizer Subventions - As mentioned in the last report, a change was made to apply to the calendar year 1944 in the method of assisting farmers buying fertilizers. From a plan to encourage the use of fertilizers on specified essential food crops, the arrangement was changed to one which equalized transportation costs to enable farmers whatever their location, to obtain fertilizers of the same kind and grade at approximately the same cost per ton. This change was made because practically all the available fertilizers since 1944 have been used on wartime crop production.

Agricultural Lime - The financial assistance to Provincial Governments undertaking an agricultural lime program was continued. Under this policy the Government paid half of the production and distribution charges incurred by the Provincial Government. A more complete review of the fertilizer and lime policies is included in the section of the Fertilizer and Pesticides Administration.

Dominion-Provincial Seed Program - A program for the production of certain field, root and vegetable garden seed ordinarily imported chiefly from Europe and U.S.A. was again undertaken. The activities of the Seeds Administrator are reviewed elsewhere in this report.



Fibre Flax - As in previous war years all flax fibre and tow with the exception of the quantity needed for the Canadian domestic trade, was shipped to Great Britain or the United States of America. The report of the Flax Fibre Administration appears later in this report, and the quantities of flax exported appears in the report of the Special Products Board.

Wartime Pamphlets - During the year under review reprints were made of all pamphlets issued previously, the stocks of which had become exhausted during the year. While it was not found necessary to print any new pamphlets, a number of those already published were completely revised in the light of new information, which had become available since the previous printing. The total number of special wartime pamphlets issued since the outbreak of the war is 82.

#### SUPPLIES TO THE UNITED KINGDOM

The Board has the general responsibility of directing agricultural production so far as possible to those farm enterprises which will make available the farm products most needed on the domestic market, and for export commitments to Great Britain and to allied countries. The Board is also responsible for making available supplies required for this production. The actual purchase and forwarding of the products is the responsibility of the Meat Board, the Dairy Products Board, and the Special Products Board. As reviews of the activities of these Boards are included in this report, it is not necessary to make any additional comment under this section.

#### MISCELLANEOUS

Regulation of the Export of Seed Potatoes - In order to ensure that sufficient Certified Seed Potatoes, including Foundation and Foundation A, remained in Canada, and yet to enable the growers to ship to the U.S.A. and other markets the greatest quantity of seed, this product was kept under export permits as in previous years.

To obtain this end as equitably as possible, an Agreement was entered into in September, 1944, with shippers in Prince Edward Island that export permits would be granted more or less freely, conditional upon the shippers undertaking to retain a quantity of seed for use in Canada equal to the quantity supplied in 1943-44, plus 10 per cent additional, and to quote for, accept and fill orders received from Ontario and Quebec up to mid-January. Eastern buyers were urged to place orders as early as possible. This closer co-operation between supplier and buyer helped in easing some of the transportation difficulties from Prince Edward Island, as shippers were able to assess the market more accurately and deliver potatoes as transportation became available.

Vegetable Dehydration - During 1944 the British Ministry of Food purchased large quantities of dehydrated vegetables including potatoes, cabbage, carrots, turnips and onions. The actual negotiations, both with the British Food Mission and the various processors, were conducted by the Special Products Board and the quantities shipped are included in the report of that Board. The Agricultural Supplies Board was responsible, however, for the special dehydration machinery and equipment on loan to the processing plants and representatives of the Board rendered technical assistance in order that production would be maintained at a desired level and to ensure that the quality of the product would meet with the requirements of the Special Products Board. No additional plants were equipped with special processing machinery during the year.

Whey for the Manufacture of Penicillin - The demand for whey for the production of milk sugar to be used in the preparation of the new drug penicillin increased during 1945. Manufacturers of penicillin have found that by increasing



the quantity of milk sugar, a greater yield of the drug is obtained. In addition, the added sugar has a stimulating effect on the patient and it also increases the keeping quality of the penicillin. During the year ended March 31st, 1945, some 1,500 farmers in Ontario and Quebec provided 65,000,000 pounds of whey for the manufacture of the milk sugar and whey powder. Of this quantity of whey, some 45,000,000 pounds were processed in the United States and about 20,000,000 pounds were processed in Canada. About 400 tons of milk sugar was used in the manufacture of penicillin in Canada and 1,500 tons of whey powder was made available for poultry and live stock feeds. Of the whey processed in the United States, practically all of the whey powder was returned to Canada and quite large quantities of milk sugar were also made available to Canadian manufacturers of penicillin who could not obtain their full requirements from Canadian processors.

It is estimated that Canadian farmers received \$100,000.00 during 1944 from the sale of whey. In addition, because of the hygienic requirements of whey buyers, cheese factories have washed and sterilized milk cans, with the result that the output of high-score cheese at most factories has increased. This has of course meant a higher price for cheese to the factory patrons.

Collection of Milkweed Pods - Under an Agreement between the Commodity Credit Corporation of the United States and the Board, the collection of milkweed pods in Ontario and Quebec was undertaken. The pods, collected mainly by school children, were shipped to the processing plant of the Hemp Division, Commodity Credit Corporation in Michigan for processing to obtain the milkweed floss which is used as a substitute for kapok in life belts, buoyant rafts, and similar apparatus, for the American and Allied armed forces. In this program the Board merely acted in the capacity of agent of the Commodity Credit Corporation, and expenses incurred therewith were paid from funds provided for the purpose by the Commodity Credit Corporation. The quantity collected amounted to 36 carloads or approximately 145,000 bushel bags of milkweed pods.

Keeping the Public Informed - Special publicity releases were made to the press from time to time respecting any developments in connection with production and supply, and statements of special interest to Dominion and Provincial officials and agricultural fieldmen were prepared for distribution. A series of newspaper advertisements appeared throughout the year dealing with the continual need for bacon for Great Britain and also for milk to meet the requirements for cheese for that country.

#### ASSISTANCE IN APPLE MARKETING

Assistance was continued to the apple growers of Nova Scotia and British Columbia to offset the loss of the overseas markets since the outbreak of war. Great Britain was again able to take fairly large quantities of both fresh and dried apples from the 1944 crop and it was thus possible to dispose of the export surplus to fairly good advantage.

Owing to crop conditions and the general market situation, it was not necessary to extend any assistance to the apple growers of Ontario and Quebec. The agreements for marketing the 1944 crop were briefly as follows:

British Columbia - In view of the more favourable prospect for disposing of fresh apples on the export market, assistance to the British Columbia growers for the 1944 crop was directed toward making any surplus available to consumers on the Prairie Provinces. Assistance was given by compensating the growers on the first million boxes of fresh apples sold in Western Canada at prices approved by the Minister, the amount by which the various packs averaged less than an amount specified in the Agreement. The total amount paid under this guarantee was \$28,042.80.



Nova Scotia - The Dominion Government undertook: 1. to pay Industry Assistance on the production of choice quality evaporated apple to the amount of nine cents per pound for a maximum quantity of 15,070,000 pounds; provided, however, that the quantity to be eligible for Industry Assistance should be reduced by: (a) 13.7 pounds for each barrel of fresh apples sold outside of Canada, Newfoundland and the Gulf Islands; (b) the total of sales of evaporated apple outside of Canada and Newfoundland and the Gulf Islands other than the United Kingdom Ministry of Food; 2. to purchase as found warranted at 19 $\frac{3}{4}$  cents per pound f.o.b. processing plant, or 20 cents per pound f.a.s., Halifax, any quantity not exceeding 9,000,000 pounds of choice quality evaporated apple. The Nova Scotia Apple Marketing Board undertook to market in Canada and Newfoundland a maximum quantity of 250,000 barrels of apples for fresh consumption. The evaporated apple purchased by the Government, amounting to 5,482,250 pounds, was sold by the Special Products Board to the British Ministry of Food. In addition 166,824 barrels (2,285,489 lbs.) of fresh apples were shipped to Great Britain by the Nova Scotia Apple Marketing Board.

#### SAFEGUARDING SUPPLIES NEEDED IN PRODUCTION

##### FEEDS ADMINISTRATION

It was mentioned in the last report that a plan to provide for establishing a reserve of Western feed grains in Eastern Canada was undertaken in order to safeguard feed required for livestock in that part of Canada. This action had become necessary because Western grown feed grains were being used so extensively in Eastern Canada that winter transportation by rail could not be relied upon to maintain a sufficient volume.

During the early part of 1944 the Government reserve stocks, stored at various points in Eastern Canada, were released to the trade for distribution to feeders. The total quantity placed in the reserves during the fall of 1943 was approximately 11-1/2 million bushels of which 7-1/2 million were released and the balance carried over. During the summer of 1944 this balance was increased by further shipments from Fort William and Port Arthur and at the beginning of 1945 the reserve amounted to approximately 7-1/2 million bushels.

In addition to these Eastern stocks a reserve supply was established at Fort William and at Port Arthur amounting to approximately 10 million bushels of oats and 8 million bushels of barley. These grains were released for distribution during the summer of 1944 when, due to the heavy movement of wheat from the country elevators to the lakehead, no shipments of oats and barley were permitted. The entire reserve stocks at the lakehead were disposed of by the end of October, 1944. This was done because of the assurance from the Canadian Wheat Board and the railways that sufficient shipments of feed grains could be made from the lakehead to Eastern Canada to take care of any demand.

In the latter part of August, 1944, it was found that there was not a sufficient quantity of feeding barley being offered to the Eastern trade and an order was issued prohibiting the promotion of selected feed barley to malting grades. The special binning of barley was also prohibited at the same time, but this order was later rescinded as it was felt it acted too much to the disadvantage of the Western producer of barley. At the time it was rescinded, assurance was given that there would be a sufficient quantity of feed barley available to meet Eastern demand, apart from the grades that were to be promoted to malting grades.

Early in 1945 it became apparent that the adjustment between supply and demand of feed barley still remained very close and it was questionable whether sufficient barley would be available to meet the Eastern demand until the end of July. Several conferences were held with the Canadian Wheat Board and



other interested parties in connection with this matter and the situation was closely watched.

In addition to the question of supply and demand, transportation remained difficult. The movement of wheat, oats and barley from the lakehead had shrunk to such an extent that it was found necessary to release grain from the reserve stocks. Since these reserves, as mentioned above, only amounted to 7-1/2 million bushels, care had to be taken to see that they were not exhausted before there was any improvement in the winter railway situation.

Since the establishment of the Feeds Administration in 1941, several feed subsidy programs have been put into effect for the purpose of encouraging the production of livestock and poultry to meet increasing demand due to the war.

Freight Assistance Policy - Under the date of June 5th, 1942, Order in Council P.C. 4781 was passed extending this policy indefinitely for both Eastern Canada and British Columbia. The policy provided for the payment of freight on Western grown grains, and millfeeds made from Western wheat moving from Fort William or Port Arthur to points in Eastern Canada, and from either Calgary or Edmonton, to British Columbia, when used for livestock feeding.

The following table shows the amount paid in freight assistance in each province against claims received from the effective date of the policies to March 31st, 1944:

AMOUNT PAID IN FREIGHT ASSISTANCE

EASTERN PROVINCES, FROM OCTOBER, 1941, TO MARCH 31, 1945.

BRITISH COLUMBIA FROM NOVEMBER 18, 1941, TO MARCH, 1945.

	<u>Tons</u>	<u>Amount</u>	<u>Average Rate per Ton</u>
Ontario	3,882,068	\$17,469,306.00	\$4.50
Quebec	3,183,112	16,968,436.37	5.3308
New Brunswick	391,264	2,934,480.00	7.50
Nova Scotia	489,585	3,965,638.50	8.10
Prince Edward Island	131,566	1,078,841.20	8.20
Eastern Canada	8,077,595	\$42,416,702.07	\$5.2511
British Columbia	695,366	\$4,434,925.74	\$6.3778
	8,772,961	\$46,851,627.81	-

The tables below show the total amount of each kind of Western grain and feed on which freight assistance claims were paid from the inception of the policy to the fiscal year ending March 31st, 1944; also the percentage of each kind of grain and feed:



SUMMARY EASTERN CANADA FREIGHT ASSISTANCE CLAIMS PAID FROM

OCTOBER 1941 TO MARCH 31st, 1945.

	Wheat cwt.	Oats cwt.	Barley cwt.	Rye cwt.	Screenings cwt.	Millfeeds cwt.
Ontario	21,974,554	20,270,135	18,491,412	609,391	2,285,982	14,009,887
Quebec	13,897,333	11,960,669	16,633,992	153,689	1,258,764	19,757,794
N.B.	1,490,868	1,558,307	1,584,486	19,746	89,977	3,081,899
N.S.	2,177,178	1,812,980	2,221,377	18,577	44,718	3,516,860
P.E.I.	812,766	346,504	663,365	2,984	9,335	796,364
Total	40,352,699	35,948,595	39,594,632	804,387	3,688,776	41,162,804

	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Tons</u>	<u>Tons</u>
Total	67,254,498	105,731,162	82,488,817	1,436,405	184,439	2,056,140

PERCENTAGE

24.9782	22.2521	24.5089	.4979	2.2833	25.4796
---------	---------	---------	-------	--------	---------

SUMMARY BRITISH COLUMBIA FREIGHT ASSISTANCE CLAIMS PAID FROM

NOVEMBER 1941 TO MARCH 31st, 1945.

Wheat cwt.	Oats cwt.	Barley cwt.	Rye cwt.	Corn cwt.	Screenings cwt.	Millfeeds cwt.
5,888,821	2,589,045	1,613,463	280	357,707	142,059	3,315,941

<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Tons</u>	<u>Tons</u>
9,814,702	7,614,838	3,361,381	500	638,762	7,103	165,797

PERCENTAGE

42.343	18.615	11.602	.002	2.572	1.023	23.843
--------	--------	--------	------	-------	-------	--------

KINDS OF GRAIN AND MILLFEEDS BY PERCENTAGE FOR EACH PROVINCE ON WHICH

FREIGHT ASSISTANCE WAS PAID FROM OCTOBER, 1941 TO MARCH 31, 1945.

	Wheat %	Oats %	Barley %	Rye %	Corn %	Screenings %	Millfeeds %	Total %
Ontario	26.303	26.107	23.816	.785	-	2.945	18.044	100
Quebec	21.829	18.788	26.129	.241	-	1.977	31.036	100
N. B.	19.063	19.914	20.248	.252	-	1.148	39.385	100
N.S.	22.235	18.515	22.686	.19	-	.457	35.917	100
P.E.I.	30.888	13.169	25.21	.113	-	.355	30.265	100
B.C.	42.343	18.615	11.602	-	2.574	1.023	23.843	100



COMPARISON OF FREIGHT ASSISTANCE ON WESTERN GRAIN AND FEED SHIPPED INTO EASTERN  
CANADA AND BRITISH COLUMBIA DURING THE FISCAL YEARS 1942-43 AND 1943-44.

Fiscal Year 1942-43

	Wheat Bus.	Oats Bus.	Barley Bus.	Rye Bus.	Corn Bus.	Screenings Tons	Millfeeds Tons
Ontario	8,011,380	7,044,073	5,339,458	489,280	-	26,056	181,671
Quebec	5,764,235	6,380,900	5,808,273	144,545	-	19,554	304,935
New Brunswick	576,218	1,038,953	653,594	24,739	-	1,458	42,907
Nova Scotia	790,950	1,238,156	1,326,627	21,955	-	979	48,480
P.E.I.	336,668	297,647	351,696	3,811	-	188	10,868
Total Eastern Canada	15,479,451	15,999,729	13,479,648	684,330	-	48,225	588,861
B. C.	2,221,233	1,536,047	744,510	127	241,955	3,392	37,946
				Eastern Canada ..... \$ 9,170,855.58			
				British Columbia..... \$ 1,003,856.01			
				Total ..... \$10,174,711.59			

Fiscal Year 1943-44

	Wheat Bus.	Oats Bus.	Barley Bus.	Rye Bus.	Corn Bus.	Screenings Tons	Millfeeds Tons
Ontario	14,015,551	30,030,826	17,946,979	191,093	-	31,474	244,179
Quebec	8,324,166	12,394,194	13,710,413	93,218	-	9,650	301,959
New Brunswick	879,842	1,690,609	1,277,317	6,846	-	786	49,508
Nova Scotia	1,453,755	1,863,500	1,658,235	1,686	-	444	54,239
P.E.I.	562,812	482,426	611,339	1,036	-	64	14,949
Total Eastern Canada	25,256,126	46,461,555	35,204,283	293,879	-	42,418	664,834
B. C.	3,425,382	2,743,062	1,258,740		146,059	1,183	61,315
				Eastern Canada ..... \$ 16,127,707.25			
				British Columbia..... \$ 1,570,514.12			
				Total ..... \$ 17,698,221.37			

\*  
Revised since last report

Fiscal Year 1944-45

	Wheat Bus.	Oats Bus.	Barley Bus.	Rye Bus.	Corn Bus.	Screenings Tons	Millfeeds Tons
Ontario	10,501,798	17,233,215	11,728,371	34,211	-	32,925	204,388
Quebec	7,356,125	12,916,591	12,702,862	30,648	-	19,722	260,338
New Brunswick	746,658	1,380,626	1,169,289		-	1,838	44,118
Nova Scotia	1,164,522	1,773,203	1,333,356	130	-	476	54,930
P.E.I.	374,837	213,441	351,462		-	163	10,939
Total Eastern Canada	20,143,740	33,517,076	27,285,340	64,989	-	55,124	574,713
B. C.	3,335,736	2,681,718	1,120,581	36	132,069	1,928	54,296
				Eastern Canada ..... \$12,961,116.10			
				British Columbia ..... \$ 1,482,698.19			
				Total ..... \$14,443,814.29			

\*  
Subject to revision



Feed Wheat Payment Policy - The Feed Wheat Payment Policy, which became effective on August 1st, 1942, provided for a payment of eight cents per bushel on wheat grown in Western Canada when such wheat is used for feed for livestock and poultry in Canada. Due to the advance in wheat prices during the fall of 1943, this payment was increased from eight cents to twenty-five cents per bushel effective from November 15th, 1943. The payment now applies to Manitoba Number Four Northern Wheat and grades of equal or lower value - thus the higher grades of milling wheat are not eligible for this payment.

The following table shows the amount paid in claims from the date of inception of the policy to March 31st, 1945.

British Columbia	\$ 1,483,780.68
Alberta	908,709.65
Saskatchewan	100,681.74
Manitoba	281,049.29
Ontario (Western Ontario)	65,684.18
Ontario	5,103,681.78
Quebec	3,268,106.69
New Brunswick	409,245.20
Nova Scotia	584,159.80
Prince Edward Island	245,809.56
	<hr/>
	\$ 12,450,888.57

Millfeeds - The domestic demand for millfeeds throughout 1944, as in previous war years, continued to greatly exceed supply. Exports were again restricted to those countries whose only source of supply is Canada, such as Newfoundland and the British West Indies, and represented less than 10 per cent of the available volume. Even with mills working to capacity, there is little prospect of supply meeting demand and the object of the administration has been to endeavour to regulate distribution of what is available as equitably as possible.

Protein Feeds - The situation with regard to vegetable proteins improved somewhat during the year and it was unnecessary to import either soybean oilcake meal or cotton seed meal from the United States as was done in 1943. There has also been marked improvement in the supplies of animal protein over 1943, and at the present time there appears to be sufficient of these products to meet the domestic demand and even to provide a small surplus for export.

#### FERTILIZERS AND PESTICIDES ADMINISTRATION

##### FERTILIZERS

Arranging for Supply of Fertilizer Required in Canada - A survey was made of the requirements for meeting the crop production program for the year, and to provide a basis for arranging sufficient supply. It was found that about 560,000 tons of all kinds of fertilizer would be needed. Supplies were obtained by promoting production in the fertilizer plants in Canada and by obtaining allocations from Combined Food Board for additional fertilizers to meet the need. As a result, relatively few farmers were unable to obtain fertilizers in 1944 despite the over-all tight supply position. Total consumption of fertilizers in Canada in 1944 approximated 560,000 tons as against 500,000 tons used in 1943 and 275,000 tons in 1939. Consumption in Canada has more than doubled since 1939. Insufficient to meet demand occurred only in the Prairie Provinces. This was due to the demand for 11-48 ammonium phosphate increasing beyond expectation, i.e. almost double that of the previous year.

Fertilizer Production and Supply - In 1944 Canadian production of superphosphate increased from 160,000 to 190,000 tons. Sulphate of ammonia production was 210,000 tons; cyanamid 200,000 tons; and mixed fertilizer production increased from 400,000 tons to 475,000 tons.

42,000 tons of potash  $K_2O$  in the forms of muriate and sulphate was



obtained from the United States and Russia, an increase of 3,000 tons over that of 1943.

There are 7 fertilizer chemical plants, 41 dry mixing plants, 48 mixing stations and approximately 15,000 fertilizer agents and distributors in Canada.

Direction of Fertilizer Use - As in 1943, this was accomplished through the National Agronomic Committee established under the Fertilizers Administration. This Committee consists of soil and agronomic specialists who are members of the Provincial Fertilizer Boards and of the Science Service of the Dominion Department of Agriculture. The Committee advises the Administration regarding grades needed for the different crops in each of the provinces. The necessary steps are then taken to direct manufacture and use accordingly. This was accomplished in part by Orders issued by the Administration under Wartime Prices and Trade Board.

Direction of Distribution of Fertilizers - All importations and domestic shipments of materials for fertilizer plants were controlled under allocation so that each plant would produce at capacity and none would receive more supply than could be used. In the five Eastern Provinces each plant continued to distribute by zones, each being given a zone to supply equivalent to its production capacity. Over-export of supplies of domestic production were prevented by controlling under permit all exports.

Fertilizer Freight Assistance - As authorized by P.C. 8/9868, freight costs in excess of \$1.00 and up to \$3.00 per ton were paid on shipments of fertilizer to farmers in the five Eastern Provinces. \$4.00 per ton was allowed as the maximum in British Columbia owing to the longer and more expensive freight hauls in that province. The assistance paid in the calendar year 1944, totalled \$401,020.60, by provinces as follows:

Prince Edward Island	-	\$ 43,523.21
Nova Scotia	-	24,961.87
New Brunswick	-	79,743.03
Quebec	-	135,443.27
Ontario	-	88,988.66
British Columbia	-	28,360.55

This freight assistance made it possible for farmers almost everywhere to obtain fertilizer of the same kind and grade at approximately the same cost per ton and has proved a real incentive to the greater use of fertilizer generally in wartime crop production. Some 375,000 farmers in Canada participated in freight assistance under this policy during the year.

Agricultural Lime Subsidies - For the fiscal year ending March 31, 1945, \$350,000. was authorized by P.C. 2251 for encouraging the production and distribution of ground limestone for soil amendment purposes. The provinces promote the production and distribution and are paid under this Order in Council one-half of their expenditure provided that the Provincial program in this connection is first approved by the Agricultural Supplies Board. The tonnage produced and distributed and the amounts paid to the provinces to March 31, 1945, were:

<u>Province</u>	<u>No. of Tons</u>	<u>Transportation</u>	<u>Production</u>	<u>Total</u>
Prince Edward Island	13,528.01	\$ 10,144.45	\$ -	\$ 10,144.45
Nova Scotia	56,246.905	16,526.32	16,337.32	32,863.64
New Brunswick	113,647.055	36,804.32	8,576.53	45,380.85
Quebec	327,297.204	89,965.13	49,278.73	139,243.86
Ontario	3,700.62	2,519.13	-	2,519.13
British Columbia	4,212.05	-	3,159.04	3,159.04
				<hr/>
				\$ 233,310.97



In the first year of its operation the policy has resulted in an increase of about 40% in the use of ground limestone by farmers in the five Eastern Provinces and British Columbia. This greater use of lime helped to augment the fertilizer supply which has been barely sufficient to meet demand.

Import Freight Subsidies for Price Stabilization - The Fertilizers Administration, through the Commodity Prices Stabilization Corporation of the Wartime Prices and Trade Board, continued to subsidize importers on imports and shipments from domestic sources of materials used for fertilizer manufacture when such was necessary to preserve the price ceilings and to equalize as far as possible the cost of fertilizers to farmers. If this had not been done, prices in the Maritime Provinces and Quebec particularly would have advanced several dollars per ton. These subsidies on imports and domestic shipments were adjusted so as to equalize the laid-down costs at all manufacturing points using Toronto, Ontario, as the base point.

Imports of nitrate of soda into British Columbia were subsidized to cut the cost down to \$46.00 per ton f.o.b. Vancouver - New Westminster. Total subsidies in this connection during the fertilizer year ending July 1st, 1944, approximated \$790,000.

Fertilizer Purchases - For meeting extra supply needed in the spring of 1944, 1,000 tons of triple-superphosphate was purchased in the United States and 3,000 tons of Russian potash were bought and distributed under the direction of the Fertilizers Administration. The buying was done through the Commodity Prices Stabilization Corporation, Wartime Prices and Trade Board. The money outlay was about \$200,000, most of which was recovered when the selling to the Canadian manufacturers and wholesalers was completed. The loss absorbed was in lieu of import subsidies for preserving the price ceilings.

Fertilizer Prices - Prices in 1944 were the same as in 1943 when the average price in Canada of fertilizers was reduced about \$2.00 per ton.

Despite equalized costs of manufacture and freights resulting from present Government policies, there are still some small variations in the price of fertilizer to farmers in the different provinces. This is due to unequal discounts allowed dealers and other distributors in the different provinces. In the Maritimes the average dealer's discount is \$2.50 per ton; in Quebec, \$1.50 per ton; in Ontario 8% of the retail price of the fertilizer; and in British Columbia \$3.00 and \$4.00 per ton.

Manufacturers' profits during the year in all provinces were practically the same, about 4.5% of over-all costs.

Combined Food Board - Representation on the Fertilizer Committee under Combined Food and Raw Materials Boards of the United Nations was maintained throughout the year. Monthly meetings were attended at Washington and the program of the Committee with respect to Canada carried out. This work consisted essentially of -

- (a) The obtaining and presentation of Canadian fertilizer of production figures. These figures were added to the over-all stock pile of the United Nations for allocation purposes. The figures change month by month according to actual production.
- (b) Compiling and presenting Canada's case for allocations according to crop requirements and essentiality.
- (c) Participating in the allocating to all countries from the over-all stock pile according to need for food and other crop production.



(d) Directing Canadian exports according to the allocations made by the Combined Food Board. Exports permitted during the year included:

164,000	tons	ammonium nitrate
210,000	"	dynamid
218,000	"	sulphate of ammonia
32,000	"	11-48 ammonium phosphate
49,000	"	16-20 ammonium phosphate
43,000	"	mixed fertilizers

#### PESTICIDES

Pesticides include the wide variety of chemicals and proprietary products used in pest control such as the insecticides, fungicides, disinfectants, rodent poisons, weed killers and fumigants.

A "Pesticides Requirements Committee" was set up in 1942 with a membership consisting of the heads of each of the divisions of the Science Service, Department of Agriculture. This Committee serves in an advisory capacity to the Pesticides Administrator as to where and the quantities required of each pesticide material in crop production. Arrangements are then made for the necessary supply and its distribution. With some restrictions as to use supplies were sufficient in 1944. They were obtained by promoting an increase in Canadian manufacture and by obtaining allocations from the War Production Board of the United States. Domestic distribution was directed in co-operation with Committees of the Trade which function under the Pesticides Administration.

Production in Canada in 1944 of such principal pesticides as lead and calcium arsenates, Paris green, lime-sulphur solutions, copper fungicides, tar acid disinfectants, gopher poisons, oil sprays and spray lime, was increased on an average about 10% over 1943 production.

Imports in 1944 of such materials as copper sulphate, nicotine sulphate, paradichlorobenzene, cyanides, perchlorides, rotenone and synthetic insecticides, which materials are not made in Canada, were about 10% greater than in 1943. As with fertilizers, domestic supplies of pesticides were retained by preventing exports except under permit.

An emergency supply of copper sulphate of 500 tons bought through Commodity Prices Stabilization Corporation in 1943 was distributed in the Maritime Provinces and Quebec for use against potato blight. Similarly, 33 tons of nicotine sulphate were bought in the United States and sold for distribution in controlling aphids and other insects in the fruit growing areas of Canada. Five tons of paradichlorobenzene were requisitioned and directed for use against peach borer in the Niagara district.

Subsidies totalling some \$50,000.00, for preserving the price ceilings, were paid under the direction of the Pesticides Administration by Commodity Prices Stabilization Corporation on imports and domestic shipments of copper sulphate nicotine sulphate and rotenone. Through the Chemicals Controller, imports of Mux Vomica and strychnine for gopher poisons were subsidized for insuring supply and preserving the price ceilings.

Pesticide Prices - Prices in 1944 were practically the same as those in 1943 under the price ceiling regulations. During the year nearly 200 price fixations were dealt with under Wartime Prices and Trade Board regulations. These covered a wide range of products from livestock de-wormers to spray lime.

Fertilizer Position 1945 - Total supply arranged for 1945 is expected to approximate 600,000 tons as against 560,000 tons used in Canada in 1944. This increased tonnage is due to higher allocations to Canada by Combined Food Board for nitrogen, phosphoric acid and potash materials. If the materials allocated come through as they should between now and May 30th, there will be ample fertilizers for every Canadian farmer who wishes to buy.



In the Three Prairie Provinces - For the spring of 1945, some 20,000 tons of 11-48 ammonium phosphate has been allocated. This quantity should be ample to cover the entire requirements of the Prairie Provinces this year as it is about double that used in 1944.

The principal problem in supplying fertilizers to farmers in Canada this year is in adequate rail and truck transportation from the factories to local distributors. The extremely heavy snowfall in Ontario and Quebec has made the usual December, January and February deliveries by truck almost impossible and the current shortage of railway cars is likely to result in numerous delayed shipments. If spring comes early in Ontario and Quebec this year, as it may, and the time for using fertilizer advances accordingly, it may be physically impossible to get all the fertilizers out of the plants to the farmers in time for use.

Pesticides 1945 - The pesticide supply position for 1945 appears to be satisfactory despite the increasing demand. Only in nicotine sulphate is a shortage likely. This shortage is likely, due to curtailed production of nicotine sulphate in the States from whence Canadian supply comes. The manufacturers of nicotine sulphate in the States are unable to obtain sufficient waste tobacco with which to make the nicotine sulphate. The latter is now being used instead for making cigarettes and smoking tobacco in that country. Canadian stocks of nicotine sulphate will be about 50% of that used in 1944. The shortage, however, will be made up largely by using substitutes such as the rotenone and dinitro phenol insecticides.

#### SEEDS ADMINISTRATION

Alfalfa, Clovers, and Grass Seeds - Seed production of the principal kinds, with the exception of alsike, included under this heading, was sufficient to meet requirements in Canada for seeding in 1945. The estimated value of these seeds to the grower from the 1944 production was \$8,605,000.00 as compared with \$7,065,000.00 in 1943, and \$3,113,000.00 in 1942.

Production of alfalfa seed in Eastern Canada was insufficient to meet domestic requirements in those provinces. Alfalfa seed produced in Western Canada was available, but because the normal market for this seed is in the U.S.A., dealers purchased the seed from growers at a price which did not enable them to pay the freight to Eastern Canada and permit the seed to be sold in Eastern Canada within the established price ceiling. Order in Council P.C. 3/8550 November 8th, 1944, authorized the Agricultural Supplies Board to pay the carload freight rate from Winnipeg, Manitoba, to points in Eastern Canada on such quantities of seed as were considered necessary to meet any deficiency in supplies required for domestic purposes in Eastern Canada. It is expected that freight rebate will be paid on approximately two million pounds of Western alfalfa seed. This amount, along with the production of approximately one and one-half million pounds in Eastern Canada, will ensure adequate supplies being available for seeding in those provinces.

Field Root and Garden Vegetable Seeds - Measures taken since early in the year to secure supplies of certain field root and garden vegetable seeds formerly supplied chiefly from European countries or from the United States were continued. Contracts have been entered into between the Agricultural Supplies Board and the growers for the production of certain specified kinds of seed. Any seed that the growers cannot dispose of through commercial trade channels for use in Canada is purchased by the Government at the price agreed to by contracts. The contracts with growers are arranged in co-operation with Provincial Seed Production committees. Under the Board's programs sufficient acreage was contracted, or is being contracted, to provide for the following estimated production:



Biennials for 1945 seed production - beet 175,000 lbs; cabbage 32,000 lbs; carrot 135,000 lbs; cauliflower 2,000 lbs; onion 112,000 lbs; parsnip 22,400 lbs; swede 115,000 lbs; mangel 140,000.

Annuals for 1945 production - bean 50,000 lbs; cucumber 20,000 lbs; lettuce 20,000 lbs; radish 40,000 lbs; spinach 20,000 lbs; tomato 3,000 lbs.

Biennials for 1946 production - beet 100,000 lbs; cabbage 10,000 lbs; carrot 100,000 lbs; cauliflower 1,000 lbs; onion 112,000 lbs; parsnip 3,000 lbs.

The program to provide stock seed of the various kinds and varieties required to plant sufficient acreage to assure production of the above mentioned quantities, has been continued with the co-operation of the Horticulture and Forage Crop Division of the Experimental Farms Service, Ottawa, whose personnel provided the necessary technical supervision. Stock seed was grown throughout Canada at the Experimental Farm Stations, Provincial agricultural institutions, and by reliable stock seed growers of the Canadian Seed Growers Association.

Other Seeds - Supplies of other seeds, including cereals and oil-bearing seeds, are adequate to meet all requirements. It was considered by the Board that supplies of Sunflower and Rapeseed from the 1944 crop were sufficiently large to permit the discontinuance of the Board's policy of purchasing these seeds to ensure adequate supplies for seeding in 1945.

In addition to the activities of the Seeds Administrator under the Agricultural Supplies Board, all seed supplied to the British Ministry of Supply is arranged for, and negotiated through the Special Products Board. Details of these transactions appear in the Field and Vegetable Seeds Section of the Report of the that Board appearing elsewhere in this report.

#### FLAX FIBRE ADMINISTRATION

General Comment - The acreage planted to fibre flax in 1944 was about 5,000 acres greater than in 1943. Seeding conditions were excellent but hot dry weather during the month of July reduced the tonnage of straw and unsatisfactory retting conditions further depreciated the value of the crop. This resulted in low yields of low quality fibres coupled with more than normal loss of seed during retting operations. It is estimated that the industry will produce less flax and less tow than in any year since 1939.

Construction of Mills - Apart from the construction of three new mills to replace inadequate non-fireproof structures, no new building was undertaken by the industry during the year. With present facilities, it is estimated that the 1945 acreage will be between 40,000 and 45,000 acres.

Production - The following table indicates the progress of the industry during the war in relation to mills and production:

Processing Years	No. of Mills	No. of Acres Planted for Production of Spinnable Fibres	Graded and Marketed Scutched Flax (tons)	Graded and Marketed Scutched Tow (tons)	Total Value of Crop (\$)
Sept. 15 to Sept. 14					
1939-40	8	8,306	538	1,806	837,600.00
1940-41	16	20,275	1,020	1,499	1,150,151.95
1941-42	35	44,467	1,455	2,649	1,954,573.38
1942-43	38	47,070	1,477	2,928	2,242,075.44
1943-44	42	33,864	1,249	3,122	2,252,787.65
1944-45	42	38,792	1,070	2,455	1,855,000.00

\*

Estimated



Inspection and Grading - All spinnable flax fibres are graded in accordance with approved grade standards through regulations established under Order in Council P.C. 8590, November 4th, 1941, and acceptable to the British Flax Control and the Commodity Credit Corporation, United States Department of Agriculture.

Purchase and Resale - As mentioned elsewhere in this Report, all graded flax and flax tow, other than that required for domestic use, is exported to the United Kingdom or the United States and is sold through the Special Products Board. Information dealing with the quantity exported appears in the Report of that Board.

#### AGRICULTURAL FOOD BOARD

The Order in Council establishing an Agricultural Food Board was passed on the first day of March, 1943. By this order, and under the agreement between the Minister of Agriculture and the Minister of Finance, the Department of Agriculture assumed additional responsibilities relative to the supply and distribution of food products. Briefly, the duties and responsibilities of the Board are: in co-operation with the Agricultural Supplies Board, to develop and direct the policies of the Department of Agriculture for the wartime production of food; to co-ordinate the activities of all commodity boards established under the Department of Agriculture; to direct the diversion of food products produced in Canada to fill export contracts, to meet the requirements of the armed forces in Canada and to supply deficient areas in Canada; and to provide a medium for co-operation between the Department of Agriculture and the Wartime Prices and Trade Board in all matters pertaining to agricultural production, price adjustments and subsidies.

Members of Board - The Board is composed of six officers of the Department of Agriculture: Dr. G. S. H. Barton, Deputy Minister, Chairman; Mr. A. M. Shaw, Director of Marketing Service and Chairman of the Agricultural Supplies Board, is Vic-Chairman; Mr. R. S. Hamer, Director of Production Service; Dr. J. F. Booth, Associate Director of Marketing Service in Agricultural Economics; Mr. J. F. Singleton, Chairman of Dairy Products Board, (alternative Mr. W. C. Cameron, Chief, Dairy Products Grading and Inspection Service), and Mr. L. W. Pearsall, Secretary-Manager of the Meat Board. Mr. Singleton and Mr. Pearsall are ex officio members for the products dealt with by their respective boards.

#### SUBSIDY PROGRAM

Producers' subsidies are direct payments to farmers in addition to their return under ceiling prices and are necessary with our price controlled economy to maintain or increase the production of essential food products. Subsidies are paid to primary producers by the manufacturers or distributors who are the first receivers of the raw product. When the processor furnishes proof to the Agricultural Food Board that he has paid the full subsidy to the producer he is reimbursed out of government funds. The subsidy must be paid in addition to any legal or contract price and must be shown as such on the statement of settlement with the producer. The subsidy is paid on condition that the processor has paid a price to the producer satisfactory to the Food Board.

The Agricultural Food Board is ready to receive representations from the Agricultural Advisory Committee to the Minister or other producer representatives regarding the Agricultural Food Board program at any time. Before the subsidies for the ensuing year are announced the Board has invited producer representatives to Ottawa to discuss the subsidy program and submit their recommendations.



### Milk and Milk Products

Subsidies are used as a means of directing supplies into desired lines of dairy production. Under the wartime price and subsidy program total milk production has increased from 15.8 billion pounds in 1939 to 17.6 billion pounds in 1944, an increase of 11.6 per cent. This increase in production has provided Canadian people with an unrestricted supply of fluid milk (net increase of 17 per cent over 1939), more butter than before the war and at the same time large quantities of cheese and concentrated milk products have been exported to meet overseas requirements of the United Nations.

At the present time approximately 50 per cent of the total milk production in Canada goes into butter, 20 per cent to fluid milk sales, 10 per cent to cheese,  $2\frac{1}{2}$  per cent to concentrated products,  $1\frac{1}{2}$  per cent to ice cream and 15 per cent is fed and used on farms.

Fluid Milk Subsidy - The main purpose of the subsidy is to encourage the producers of milk to meet increased demands from army camps and from cities and towns throughout Canada where war industry has resulted in increased population and greater purchasing power among former low income and undernourished sections of the population.

The fluid milk subsidy is paid on a selective basis. Application is made by producer groups in a market centre to the Provincial Milk Control Boards or Commissions who act as agents for the Agricultural Food Board. The Provincial Boards who know local conditions review the situation, consider the need and amount of the subsidy that should be requested, review the application and forward it to the Agricultural Food Board with their recommendation. The Agricultural Food Board may accept the recommendation of the Provincial Authority or may change it. In place of a subsidy, particularly the maximum subsidy, the Board may recommend a price increase where the prevailing retail price is unusually low, in which case the application is referred to the Wartime Prices and Trade Board, or the returns to producers may be increased by a combination of the lower subsidy rate and a price increase.

Subsidies are applied to milk purchased for fluid distribution in specific market centres. The Board does not issue blanket authorization for payment on a regional basis. In dealing with the need and amount of a subsidy for a specific distributing centre the Board is guided by certain principles which apply across Canada. In applying these guiding principles the Board endeavours to maintain the price relationship between markets which existed during the base period. In certain local situations where unusual demand has arisen, exceptions have been made.

Manufactured Dairy Products Subsidies - Subsidy is paid on the whole milk delivered by the producer or on the butterfat contained in the milk. A double subsidy is not paid. That is, butterfat removed from milk is not eligible for subsidy if the whole milk has already been subsidized. With this exception the butterfat subsidy is paid on all butterfat used in the manufacture of creamery butter; the cheese milk subsidy is paid on all milk used in the manufacture of cheddar cheese; the concentrated milk subsidy is paid on all milk used in the manufacture of concentrated whole milk products which include whole milk powder and evaporated whole milk; the concentrated milk subsidy is paid on skim milk powder and evaporated skim milk provided the butterfat subsidy has not been claimed on the same milk; a subsidy equivalent to the concentrated milk subsidy is paid on milk used in the manufacture of milk sugar (lactose). That is, the subsidies are paid on proof of manufacture of these products anywhere in Canada.



SUBSIDIES PAYABLE ON DAIRY PRODUCTS

<u>Subsidy period</u>	<u>Rate of subsidy</u>	<u>Paid under direction of</u>
Fluid Milk -		
Dec. 22/41-April 30/42	30¢ per 100 lbs.	WPTB (1)
Sept. 1/42-April 30/43	25¢ per 100 lbs.	WPTB
May 1/43-Sept. 30/43	25¢ per 100 lbs.	AFB, P.C. 2709, April 2/43
Oct. 1/43-April 30/44	25¢ per 100 lbs., or 55¢ per 100 lbs.	AFB, P.C. 7142, Sept. 9/43
May 1/44-Sept. 30/44	25¢ per 100 lbs., or 35¢ per 100 lbs.	AFB, P.C. 1082, Feb. 24/44
Oct. 1/44-April 30/45	25¢ per 100 lbs., or 55¢ per 100 lbs.	AFB, P.C. 1082, Feb. 24/44
May 1/45-Sept. 30/45	25¢ per 100 lbs., or 35¢ per 100 lbs.	AFB, P.C. 6/1713, Mar. 14/45
Oct. 1/45-April 30/45	25¢ per 100 lbs., or 55¢ per 100 lbs.	AFB, P.C. 6/1731, Mar. 14/45
Creamery Butter -		
July 6/42-Dec. 20/42	6¢ per lb. bf	WPTB
Dec. 21/42-April 30/43	10¢ per lb. bf	WPTB
May 1/43-Dec. 31/43	8¢ per lb. bf	AFB, P.C. 2709, April 2/43
Jan. 1/44-April 30/44	10¢ per lb. bf	AFB, P.C. 2709, April 2/43
May 1/44-April 30/45	10¢ per lb. bf	AFB, P.C. 1082, Feb. 24/44
May 1/45-April 30/46	10¢ per lb. bf	AFB, P.C. 6/1731, Mar. 14/45
Cheddar Cheese -		
Oct. 1/43-April 30/44	30¢ per 100 lbs. milk	AFB, P.C. 7142, Sept. 9/43
May 1/44-April 30/45	20¢ per 100 lbs. milk	AFB, P.C. 1082, Feb. 24/44
May 1/45-April 30/46	20¢ per 100 lbs. milk	AFB, P.C. 6/1731, Mar. 14/45
Concentrated Milk Products -		
Dec. 22/41-April 30/42	40¢ per 100 lbs. milk	WPTB
Mar. 1/43-April 30/43	25¢ per 100 lbs. milk	AFB, P.C. 1/2590, Mar. 31/43
Oct. 1/43-April 30/44	30¢ per 100 lbs. milk	AFB, P.C. 7142, Sept. 9/43
May 1/44-Sept. 30/44 (2)	15¢ per 100 lbs. milk	AFB, P.C. 1082, Feb. 24/44
Oct. 1/44-April 30/45 (2)	30¢ per 100 lbs. milk	AFB, P.C. 1082, Feb. 24/44
May 1/45-Sept. 30/45 (2)	15¢ per 100 lbs. milk	AFB, P.C. 6/1731, Mar. 14/45
Oct. 1/45-April 30/46 (2)	30¢ per 100 lbs. milk	AFB, P.C. 6/1731, Mar. 14/45

(1) Consumer subsidy of 2 cents per quart was announced in December 1942, which meant a reduction in price of 2 cents per quart on all fluid milk sold to consumers either at retail or wholesale. This subsidy is paid under authority of the Wartime Prices and Trade Board.

(2) A subsidy equivalent to the concentrated milk subsidy is paid on milk used in the production of lactose (milk sugar). For period April 1, 1944, to April 30, 1945, (AFB, P.C. 2299, March 30, 1944) and for period May 1, 1945 to April 30, 1946 (AFB, P.C. 6/1731, March 14, 1945).



Expenditure

TOTAL SUBSIDIES PAID ON DAIRY PRODUCTS  
(Calendar Year Basis)

	1942 W.F.T.B. \$	1943 A.F.B. \$	1944 <sup>1/</sup> A.F.B. \$	1945 Estimate \$
Fluid Milk	3,846,036	4,968,477	13,647,294	14,000,000
Butterfat	7,000,933	15,724,915	24,103,337	24,000,000
Cheese <sup>2/</sup>		800,270	4,325,050	4,500,000
Concentrated Milk		464,955	2,416,981	2,500,000
	10,846,969	21,958,617	44,492,662	45,000,000

<sup>1/</sup> Subject to revision.

<sup>2/</sup> Not including quality bonus.

Average prices including subsidies received for milk and milk products and subsidies as percentage of returns to dairy farmers in 1944.

Fluid Milk:	Average farm price 1942 was \$2.15 per cwt. Average farm price 1944 was \$2.48 per cwt. Percentage increase 15.3 per cent. Subsidy was 14 per cent of total returns to farmers for fluid milk or 18 per cent for all fluid milk on which a subsidy is paid.
Butterfat:	Average farm price 1942 was 37.2¢ per lb. Average farm price 1944 was 44.6¢ per lb. Percentage increase 19.9 per cent. Subsidy was 22 per cent of total returns to farmers for butterfat used in the production of creamery butter.
Cheese Milk:	Average farm price 1942 was \$1.69 per cwt. Average farm price 1944 was \$2.01 per cwt. Percentage increase 18.9 per cent. In Ontario and Quebec subsidies and premiums paid by Dominion and Provincial Governments represented 23 per cent of total returns received by farmers.
Concentrated Milk:	Average farm price 1942 was \$1.80 per cwt. Average farm price 1944 was \$2.05 per cwt. Percentage increase 13.9 per cent. Subsidy was 14 per cent of total returns received by farmers.

Control of Diversion - In order to prevent the diversion of milk from priority uses into less essential outlets, the utilization of milk within the dairy industry has been stabilized by requiring distributors or manufacturers to obtain permission from the Agricultural Food Board before purchasing milk or cream from other than those from whom they were purchasing milk or cream prior to and regularly since September 30th, 1943. This Order came into effect October 1st, 1943, and although at the start it met with considerable opposition from the trade, it is now favourably regarded. The trade has acknowledged the effectiveness of the Order in holding producers at cheese factories and creameries and thereby maintaining or increasing the production of cheese and butter.



A milk producer cannot shift his production to another usage except under permit from the Agricultural Food Board. Shifts from one distributor to another are also controlled. This has practically eliminated competition among dairies for producers in the same market. The office of the Administrator of Services has co-operated fully with the Board in controlling diversion and will not issue a trucker's permit to haul a farmer's milk supply over a new route unless clearance is first secured from the Agricultural Food Board. In many market centres the Medical Officer of Health will not inspect farm dairy premises unless the distributor holds a Food Board permit to purchase milk from the additional producer.

The Agricultural Food Board enforces control by denial of subsidy in the case of unauthorized diversion. In the early months denials of the subsidy were frequent. Now, with a better understanding of the purpose of the Order and the Board's method of control, denials are relatively infrequent.

Under the Order producers are held to their outlets unless special circumstances exist which the Board recognizes as justification for change. The seasonal closing of cheese factories and creameries not equipped for winter manufacture accounts for a considerable number of the diversions under permit. Since October 1st, 1943, up to March 31st, 1945, the Board has issued 7,128 permits and, as each permit bears on the average the names of four to six producers, 30,000 to 40,000 producers in Canada have been permitted to change their sales outlets since October 1st, 1943.

Recovery of Subsidies on Exports and Butter used for Industrial Purposes - By Order in Council P.C. 5424, July 14th, 1944, the Agricultural Food Board was authorized to impose and collect a refund at a rate commensurate with the subsidy paid on butterfat or milk used in the manufacture of creamery butter, cheddar cheese and concentrated whole milk products when sold for ships' stores or for export, except when exported under government contract, and with respect to butter only, when used for industrial purposes in Canada.

The Export Permit Branch, Department of Trade and Commerce, and the Commodity Prices Stabilization Corporation Limited, Wartime Prices and Trade Board, have been named as agents of the Food Board to collect subsidy refunds. The following rates of refund apply: creamery butter 8 cents per pound, cheddar cheese  $2\frac{1}{4}$  cents per pound. On concentrated whole milk products which are manufactured during the period October 1st to April 30th when the 30 cents per hundred pounds subsidy is in effect exporters and sellers to ships' stores are required to refund the subsidy at the following rates on the manufactured product: evaporated whole milk 66 cents per hundred pounds, sweetened condensed milk 74 cents per hundred pounds, dry whole milk powder  $2\frac{1}{2}$  cents per pound. For products manufactured between May 1st to September 30th when the subsidy rate is 15 cents per hundred pounds the rate of refund is halved.

From April 1st, 1944, to March 31st, 1945, the total refund collected from industrial users and exporters of subsidized dairy products has amounted to a total of \$280,611.43.

Canning Crop Subsidies  
Tomatoes, Corn, Peas, Green or Wax Beans

Subsidies are paid through the processor to producers for such quantities of the named vegetables as are delivered to and purchased by canners for processing.

Conditions of Payment - Subsidies are paid through the medium of canners. Price for the crop is that paid in 1941 or any higher amount agreed upon, and in addition the grower receives the subsidy on the amount of the crop delivered. Subsidies are paid out by canners on behalf of the Board and reimbursement to



canners is made upon submission of claim after settlement in full has been made with the grower.

History - Effective July 1st, 1942, the main types of canned fruits and vegetables were made subject to specific maximum canners' prices and controlled markups by order of the Wartime Prices and Trade Board. The same order provided canners' and growers' subsidies, and floor prices for canners. The growers' subsidies applied on tomatoes, corn, peas and beans and were devised by authorizing canners to pay stated increases over their 1941 prices in return for which they could count on the floor price guarantee for their own sales by being permitted to sell any left over pack on or after February 1st, 1943, to the Board's agent (Commodity Prices Stabilization Corporation Limited) at prices returning more than the ceilings and less than ceilings plus canners' subsidy. Actually no such distress sales were made, but it is understood that nearly all canners paid these additions, which were covered by a portion of the subsidy they received on their processed vegetables. The rates were: tomatoes \$1.00 per ton, corn \$2.00 per ton, peas \$7.50 per ton (\$1.50 straw weight), and beans \$5.00 per ton.

Subsidies were payable in 1942 by Wartime Prices and Trade Board Order No. 148, June 24th, 1942. Under authority of the Agricultural Food Board subsidies were payable in 1943 by P.C. 2/2105, March 16th, 1943, and in 1944, by P.C. 1611, March 9th, 1944. Authority in 1945 is provided under the Agricultural Food Board by P.C. 2/1731, March 14th, 1945.

The changes in rates during succeeding years are shown in the following table:

Subsidies Payable on Canning Crops

<u>Crop Season</u>	<u>Rate of Subsidy per ton</u>	<u>Paid Under Direction of</u>
Tomatoes		
1942	\$1.00	W.P.T.B.
1943	\$3.00	A.F.B.
1944, 1945	\$6.00	A.F.B.
Corn		
1942	\$2.00	W.P.T.B.
1943, 1944, 1945	\$4.00	A.F.B.
Peas		
1942	\$7.50	W.P.T.B.
1943, 1944, 1945	\$10.00	A.F.B.
Peas (straw weight) 1942	\$1.50	W.P.T.B.
1943, 1944, 1945	\$2.00	A.F.B.
Green or Wax Beans		
1942	\$5.00	W.P.T.B.
1943, 1944, 1945	\$7.50	A.F.B.



Expenditure

Total Subsidies Paid on Canning Crops

	Season 1943 \$	Season 1944 \$	Season 1945 (Estimated) \$
Tomatoes	504,090	1,774,071.09	1,900,000
Corn	179,000	259,372.68	300,000
Peas	206,000	385,162.71	425,000
Beans (green & wax)	63,100	99,651.09	125,000
Total	952,190	2,518,257.57	2,750,000

Average prices including subsidies paid for vegetables for processing and subsidies  
as percentage of returns to growers in 1944

Tomatoes:	Average base price 1941	\$14.10
	Average price paid 1944	\$20.44
	Percentage increase	45%
	Subsidy was 30 per cent of total price.	
Corn:	Average base price 1941	\$10.75
	Average price paid 1944	\$14.82
	Percentage increase	38%
	Subsidy was 27 per cent of total price.	
Peas:	Average base price 1941	\$45.00
	Average price paid 1944	\$55.00
	Percentage increase	22%
	Subsidy was 18 per cent of total price.	
Green or Wax Beans:	Average base price 1941	\$47.00
	Average price paid 1944	\$67.92
	Percentage increase	44%
	Subsidy was 10 - 12 per cent of total price.	

Subsidies on Berries for Jam and Canning  
Strawberries, Raspberries, Loganberries, Gooseberries, Currants

Subsidies for berries are included by the manufacturers in their purchase prices. Their purpose is to maintain the production of berries for jam manufacture and canning and to allow manufacturers some assistance in competing for fresh fruit without increasing the ceiling prices on jams and canned berries.

Conditions of Payment - Subsidies are payable and recoverable only by jam manufacturers holding a Manufacturer's Sales Tax Licence issued by the Excise Division of the Department of National Revenue and producing jam or canned fruit for sale on a commercial basis and through normal commercial channels. Subsidies are recoverable by manufacturers who have paid the subsidy to growers in addition to a fixed minimum price stated in the Order. That is, the subsidy is included in the purchase price and is not identified as such.

History - In order to halt the drastic decline in strawberry acreage when the Japanese growers were removed, subsidies were paid under the Wartime Prices and Trade Board to processors of strawberries in British Columbia at the rate of two cents per pound when a total of eight cents or more had been paid to growers. Subsidy payments came under the Agricultural Food Board in 1943 and were extended to growers in Eastern Canada. To make the limited supply of fruit go further subsidies were paid only on berries used in the manufacture of pectin and compound jams. The continuing and unusual difficulties of the industry were recognized in British Columbia where strawberries were given three cents per pound higher subsidy than in Eastern Canada.



In 1944 rates of subsidy continued practically unchanged. Raspberries purchased for canning were made eligible for subsidy and restrictions on the proportions of "pure", "pectin" and "compound" jams were removed. Although pectin and compound jam stretches the available fruit into a larger pack, they require more sugar which is also in limited supply.

Before the 1944 berry season opened, the Wartime Prices and Trade Board placed a ceiling on fresh strawberries and raspberries. This assisted jam manufacturers in competing with the fresh fruit market for supplies.

Subsidies for berries were payable in 1942 in British Columbia by the Wartime Prices and Trade Board; in 1943 by the Agricultural Food Board under P.C. 1/4225, May 21st, 1943, as amended by P.C.'s 3/5410, July 7th, 1943, 6/8336, October 27th, 1943, and 1/68, January 12th, 1944; in 1944 by P.C. 4340, June 6th, 1944. In 1945 subsidies are authorized by P.C. 7/1731, March 14th, 1945.

Subsidies were payable in 1943 and 1944 and will continue in 1945 at the rates shown hereunder and are recoverable only by manufacturers having paid the following minimum prices including subsidy.

	<u>Ontario and East</u>		<u>British Columbia</u>	
	<u>Subsidy</u>	<u>Minimum Price</u>	<u>Subsidy</u>	<u>Minimum Price</u>
	<u>per lb.</u>	<u>per lb.</u>	<u>per lb.</u>	<u>per lb.</u>
	\$	\$	\$	\$
Strawberries -				
hulls on	.03	.12		
hulls off	.03½	.13½	.06	.12
Raspberries	.03	.13	.03	.14
Loganberries	.03			.10½
Boysenberries)	Subsidy of three cents per pound in addition to manufacturers' purchase price in 1942.			
Gooseberries )				
Currents )				

Expenditure -

Total Subsidies Paid on Berries for Jam and Canning

	<u>1943 Crop</u>	<u>1944 Crop</u>	<u>1945 Crop</u>
		<u>Preliminary</u>	<u>Estimated</u>
Amount in pounds	10,700,000	13,780,000	
Subsidy payable	\$359,000	\$437,300	\$600,000

1945 Program - In 1945 subsidies on berries for jam and canning continue at the same rates as in 1944.

Subsidy on White and Yellow Eye Dried Beans

In order to stimulate the production of dried beans for domestic needs under ceiling prices and for export requirements, a subsidy of 50 cents per bushel was paid by authority of the Wartime Prices and Trade Board above the maximum price to growers of \$2.00 per bushel for "No. 1 pick" grade in 1943 and 1944. Beans exported were sold at \$3.00 per bushel by the Special Products Board who issued participation certificates to growers as a means of distributing the additional returns. It is expected that participation certificates may increase the return to an average of \$2.75 per bushel. It seemed desirable to turn the expected amount of 25 cents realized from participation certificates into a subsidy which added to the 1943 rate gives a total subsidy of 75 cents per bushel. Following an exchange of views with the Foods Administration of the Wartime Prices and Trade Board and inasmuch as the subsidy is really a growers subsidy, it was agreed that it should be provided under the auspices of the Agricultural Food Board.



Accordingly, P.C. 12/1731, March 14th, 1945, authorized a subsidy of 75 cents per bushel to be paid, as the Agricultural Food Board may direct, to growers in the bean exporting area of Canada on their sales of 1945 crop of white and yellow eye beans.

#### AUDIT

Claims for refund of subsidy paid to primary producers are transmitted to Ottawa through various channels and are certified by authorized provincial or federal officers, for example, fluid milk subsidies are approved by provincial milk control boards, butterfat subsidies by provincial dairy commissioners and vegetable and berry subsidies by inspectors of the Marketing Service, Dominion Department of Agriculture.

When received by the Chief Treasury Officer, Ottawa, each claim is examined to detect overlapping and duplicate claims and unauthorized diversions and to see that in all respects the payment claimed is in conformity with the regulations. Arithmetical accuracy is also verified.

In addition to these examinations, field audits are made by treasury office auditors working out of Ottawa and district offices and, in some instances, by officers of the Agricultural Food Board.

At the end of February 1945, 366 field audits had been made and the amount of subsidy recovered was in excess of \$25,000. In addition to the subsidies recovered, these audits have disclosed a number of underpayments to producers which the Board has required to be adjusted before payment of subsequent claims.

Field audits have been made in the provinces as follows:

Prince Edward Island	5	Manitoba	10
Nova Scotia	34	Saskatchewan	77
New Brunswick	15	Alberta	63
Quebec	76	British Columbia	18
Ontario	68	Total	<u>366</u>

#### REPORTS OF ALLIED BOARDS

.....

#### DAIRY PRODUCTS BOARD

Canada's fifth agreement with the United Kingdom covering the shipment of cheese and evaporated milk was terminated with the close of the fiscal year under review. The 1944-45 cheese agreement provided for the shipment of 125,000,000 pounds of cheese from the production of the year beginning April the 1st, 1944. The agreed prices were the same as the previous year, namely 20¢ per pound for First Grade, and 19½¢ for Second Grade, and 19¢ for Third Grade cheese, f.o.b. factory shipping point or grading station shipping point. Under the agreement 123,138,058 pounds of cheese, valued at \$25,933,280.37, was shipped to the United Kingdom.

The 1944-45 agreement with respect to evaporated milk provided for the shipment of 300,000 cases (48 16 oz. tins per case, British Standard) from the production of the year beginning April the 1st, 1944. The price was \$4.81 per case, f.o.b. ocean steamer or railway car, Montreal, Vancouver or New Westminster. The total amount of milk delivered under the agreement was 300,434 cases, valued at \$1,445,087.54. During the fiscal year 156,267 cases of evaporated milk valued at \$740,674.11 were sold through the Board for military relief purposes.



During the year under review, Canada supplied the British Admiralty with 403,250 pounds of creamery butter valued at \$146,234.58.

In accordance with the policy followed in previous years, the Dairy Products Board was authorized to purchase creamery butter to support the market at minimum prices as set forth in Agricultural Food Board Order in Council P.C. 1082, March 6th, 1944. During the year under review, the Board purchased 2,697,261 pounds of First Grade creamery butter valued at \$855,623.15. Later during the year, 2,640,424 pounds of butter, valued at \$931,434.75, was sold by the Board on the domestic market, to the Department of Munitions and Supply and to the British West Indies under quota arrangement. During the winter of 1944-45, the Dairy Products Board authorized the interprovincial movement of over 8,000,000 pounds of butter from the three prairie provinces into areas in Eastern Canada where butter supplies were deficient during the period. The movement of butter was in accordance with a working arrangement with the Wartime Prices and Trade Board which directed the butter shipped into deficient areas. Shipments of butter into British Columbia from the prairie provinces were also controlled by permits issued by the Dairy Products Board.

The principal control measures issued by the Board during the fiscal year were as follows: effective April 1st, 1944, an Order was issued limiting the amount of process cheese manufactured in Canada to the amount manufactured during the year beginning April 1st, 1943, and only persons who were manufacturing process cheese during the year ended 31st of March, 1944, are permitted to manufacture process cheese following that date. All cheddar cheese manufactured in the provinces of Ontario and Quebec during the period June 24th, 1944, to December 7th, 1944, inclusive, was requisitioned for shipment to the United Kingdom through exporters licensed by the Board.

#### MEAT BOARD

The Meat Board, prior to June 3rd, 1943, the Bacon Board, is charged with the responsibility of carrying out all contracts or agreements for the export of meat and meat products entered into by the Canadian Government with any external government or the agency of such government.

During 1944 the first half of a two-year bacon agreement made between the Canadian Government and the British Ministry of Food was implemented through the Board. This agreement, the 5th since the outbreak of war, covers the two-year period 1944-45 and embraces delivery over that period of at least 900,000,000 pounds of bacon and hams. Up to December 31st, 1944, ending the first year of this Agreement, Canada delivered more than two-thirds of the minimum two-year volume; or 660,000,000 pounds. In addition, under by-product agreements with the British Ministry of Food for the calendar year 1944, Canada delivered 13,600,000 pounds of pork offals; 35,000,000 pounds of canned pork; and 847,000 bundles of hog casings. Canada also shipped the United Kingdom 121,500,000 pounds of beef and 9,000,000 pounds of lard. The volume of beef shipped was equivalent to at least 243,000 head of cattle. The support thus given to the surplus cattle supply was notable, as is indicated in the cattle equivalent exported. As the year progressed strong support was also given to the market for plain cattle through purchase by the Board of beef from the lower qualities for export in boneless beef form.

Export putdown of bacon commenced in December 1943, when hog marketings were beginning to assume all-time record volumes. During the first quarter of 1944, hog slaughterings were by far the highest on record, at the sharp increase of more than 78 per cent over 1943. At the time this record volume was moving to the market, the Dominion Government on January 24th instituted quality premiums of \$3.00 on Grade A carcasses and \$2.00 on Grade B1 carcasses, with the guarantee of payment of these premiums until at least six months after the end of war in Europe. Payment was made by means of a warrant attached to the



regular grading settlement form and from January, 1944, to February, 1945, premiums issued amounted to \$16,347,878. At the same time, in order to bring about a better distribution of the record volume and prevention of congestion at some market centres, subsidy or equalization payments were made on the movement of hogs from the saturated areas in the West to points in the East where capacities and facilities obtained for processing this record run for the market. During the period, total expenditure amounted to \$123,576.

The British Ministry paid for Grade A Canadian Wiltshires under the first year of the 5th agreement, a constant price of \$22.50 per hundred pounds f.o.b. Canadian Seaboard, which is an increase of 75 cents per hundred pounds over the 1943 Agreement and will continue as the price during the second year of the 5th Agreement, or from January 1st to December 31st, 1945.

The over-all demand for Canadian hog products was far beyond supply, although commercial hog marketings were of all-time record volume, totaling more than 8,865,000 head and representing the extraordinary expansion of 242 per cent over 1939, the first year of the European war. Factors which stimulated progressive expansion were:

- (1) A guaranteed market
- (2) Progression upward in price and elimination of violent price fluctuations
- (3) Ample supplies of feed grains
- (4) Active response of producer to Wartime requirements.
- (5) Diversion by the Board of a high proportion of hogs into channels available for processing for export

A severe strain was placed on packing house and storage capacity and other facilities necessary in the handling and converting of hogs to product. However, despite this and the additional burden of labour difficulties, the earnest co-operation of all parties concerned resulted in all sources of demand being filled to what was under the circumstances, more than reasonable satisfaction. Congestion at some yards and packing plants in the West because of the, at times, unrestrained deliveries, was alleviated through the movement of considerable numbers of hogs to Eastern Canada for slaughter under subsidy as herein mentioned.

During 1945, the Government has assured the British Ministry of its best efforts to ship up to 600,000,000 pounds of bacon and hams and the British Ministry will pay the 1944 price. Offals, casings and other by-product will be shipped under Agreement to the limit of the available surpluses.

At least 50,000,000 pounds of beef will be delivered and at the 1944 price levels.

#### SPECIAL PRODUCTS BOARD

The Special Products Board was created by Order in Council P.C. 2520, on April 15, 1941. The purpose of the Board as originally set up was to regulate the export to the United Kingdom of any product of agriculture processed or unprocessed, except bacon or dairy products, pursuant to agreements made between the Government of Canada and the United Kingdom. Its powers, however, were extended by Order in Council P.C. 2164, dated March 20, 1942, to include agreements with any Government or the accredited representative of any Government in the British Empire or of any nation allied with Great Britain in the present war. The Board has wide powers to enable it to perform the function for which it was intended.

The work of the Board has been divided into five sections, namely, the Poultry Products Section, Fruit and Vegetable Section, Flax Fibre Section, Field and Vegetable Seeds Section, and Certified Seed Potato Section. A manager has been appointed to direct the work of each section.



POULTRY PRODUCTS SECTION

During the year ending March 31st, 1945, shipments of poultry products from the Special Products Board to the British Ministry of Food were as follows:

Dried Eggs	-	28,883,706 lbs.
Shell Eggs	-	21,933,030 doz.
Dressed Poultry	-	1,973,089 lbs.

Of the dried egg powder shipped to Great Britain 5,343,188 lbs. were shipped in 5 oz. containers suitable for household use, and 17,538,518 lbs. in 14 oz. containers suitable for restaurant and army use.

The dressed poultry exported was contracted for during the year ending March 31st, 1944, but shipments did not take place until April, May and June 1944.

In addition to exports of dressed poultry to the British Ministry of Food, the Board was instrumental in arranging a contract with the United States Government, through War Supplies Limited, to buy all surplus stocks of poultry of Grade "B" quality, or better, available in Canada. Shipments were made direct to the United States Government by shippers after the Board had negotiated the sale. Shipments to the United States Government amounted to 23,998,681 lbs.

A similar contract for the sale of surplus stocks of dressed poultry in Canada, including Grade "C" poultry, has been made with the United States Government for the year ending December 31st, 1945.

The increase in the amount of eggs exported by the Board during the year ending March 31st, 1945, and the increase in the amount of dressed poultry on which sales were negotiated by the Board for the same period is indicated below:

	Year ending March 31, 1945	Year ending March 31, 1944
Dried Eggs	22,883,606 lbs.	12,897,449 lbs.
Shell Eggs	21,933,030 doz.	-
Dressed Poultry	25,971,770 lbs.	261,000 lbs.

FRUIT AND VEGETABLE SECTION

During the fiscal year 1944-45, the following fruit and vegetable products were delivered on contracts with the British Ministry of Food:

From the 1943 crop -

3,349,230 lbs. dehydrated potatoes  
 148,460 lbs. dehydrated cabbage  
 112,373½ lbs. dehydrated carrots  
 262,978 lbs. dehydrated turnips  
 1,000 lbs. dehydrated onions  
 1,000 cases canned corn  
 49,780 bushels dried beans  
 55,738 cases canned diced carrots  
 2,234,400 lbs. evaporated apples

From the 1944 crop -

166,842 barrels fresh apples  
 524,988 boxes fresh apples



25,116,995 lbs. dried beans  
 1,000 cases canned corn  
 200,200 lbs. strawberries in SO<sub>2</sub>  
 1,400,000 lbs. raspberries in SO<sub>2</sub>  
 5,082,100 lbs. evaporated apples  
 6,646,608 lbs. dehydrated potatoes  
 1,908,396 lbs. dehydrated cabbage  
 663,118 lbs. dehydrated carrots  
 296,498 lbs. dehydrated turnips  
 6,010 lbs. dehydrated onions

Shipments of evaporated apples and dehydrated vegetables are still going forward.

Twelve firms are operating thirteen vegetable dehydration plants in Canada, under the supervision of the Board.

#### FLAX FIBRE SECTION

In accordance with agreements completed in 1942 for the duration of the war, between the Board and the Governments of the United Kingdom and the United States, all spinnable flax fibres produced in Canada are to be purchased by the Board and sold on a fifty-fifty basis by grades, less essential Canadian requirements, to the British Ministry of Supply and the Commodity Credit Corporation, U.S. Department of Agriculture.

The following quantities have been purchased and exported:

<u>Year Ending</u>	<u>UNITED KINGDOM</u>		<u>UNITED STATES</u>	
	<u>Quantity in lbs.</u>	<u>Value</u>	<u>Quantity in lbs.</u>	<u>Value</u>
Mar. 31/43	6,748,365	\$1,459,579.49	581,230	\$241,283.64
Mar. 31/44	7,598,605	1,911,930.54	741,890	319,461.64
Mar. 31/45	<u>6,621,846</u>	<u>1,486,322.23</u>	<u>-</u>	<u>-</u>
Totals	20,968,816	\$4,857,832.26	1,323,120	\$560,745.28

#### FIELD AND VEGETABLE SEEDS SECTION

Alfalfa, Clovers and Grass Seeds - 1943 Crop - Under Order in Council P.C. 5426, the Board was authorized to purchase and become the sole exporter of seeds of Alfalfa, Red Clover, Alsike Clover and Alsike-White Clover mixture. The Seed Export Office at Lindsay was established to act as purchaser for the Board, for quantities of the kinds of seed mentioned above that were surplus to Canadian requirements, and to export these surpluses to allied nations. In order to secure for producers the full advantage of export outlets, recognized seed dealers were authorized to issue participation certificates and, at the end of the shipping season, the value of the participation certificate was to be determined by apportioning the surplus, if any, on the year's transactions, to the total poundage as shown by the participation certificate for each particular kind of seed.



Quantity of Seeds Covered by Participation Certificates, Quantity Exported, Total Profit and Rate of Return to the Producer - 1943 Crop

Kind	Total Poundage Covered by Participation Certificates Pounds	Total Quantity of Seed Exported Pounds	Total Profit Obtained from Exports \$	Rate of Return Per lb. to Producers on Seed Covered by P.C. ¢
Alfalfa	5,013,428	476,820	82,227.69	1.986
Alsike (including Alsike & White)	4,484,845	689,700	76,346.09	1.695
Altaswede	366,294	60,000	7,284.95	1.638
Red Clover (other than Altaswede)	5,097,412	Nil	Nil	Nil

A return was made to all producers who marketed alfalfa, alsike (or alsike and white) and altaswede. No return was made to producers holding participation certificates for red clover other than altaswede, since this crop was sufficient to meet Canadian requirements only.

Alfalfa, Clovers and Grass Seeds - 1944 Crop - Under Order in Council P.C. 2/6000, the Board was authorized to guarantee to producers a return of 5¢ per pound on all participation certificates issued on alfalfa, alsike clover and alsike-white clover mixtures, and 3¢ per pound on participation certificates issued on red clover seed. Any net profit in excess of the guaranteed payments resulting from the export of each class of seed is to be distributed to the producers of that class of seed. This guaranteed participation, which provides an assurance of a reasonable return to the farmer, was considered essential in order to increase the production of certain forage crop seeds in Canada. Such an increase in production was necessary if Canada is to provide seed for the increased requirements of feed for livestock and the urgent need for seed in the United Kingdom and liberated countries. The Special Products Board, in order to maintain the quality and reputation of Canadian seeds abroad, purchases seed from qualified and experienced exporters who have heretofore been in the business and who are properly equipped to uniformly blend these seeds for the export market.

The following quantities of forage seeds were exported by the Board in the fiscal year ending March 31st, 1945:

	Quantity lbs.	Value \$
To United Kingdom -		
Alfalfa	448,300	261,735.75
Alsike Clover including Alsike & White	73,800	31,107.00
Red Clover	1,485,000	625,000.50
Timothy	1,387,760	141,875.20
To United States -		
Alfalfa	1,644,557	956,963.63
To U.S.S.R. -		
Alfalfa	710,625	412,939.06
Brome Grass	176,000	23,888.00
To Netherlands -		
Alfalfa	202,875	118,174.69
Red Clover	211,350	91,937.25
To Belgium -		
Alfalfa	220,000	128,150.00
Red Clover	152,550	66,359.25
		2,858,130.33

Field Root and Vegetable Seeds - Agreements between the British Ministry of Food and the Special Products Board for the production of various garden vegetable seeds have been continued. During the year ending March 31st, 1945, the Special Products Board shipped to the British Ministry of Food 1,695,958 pounds of vegetable seeds valued at \$833,865.42. In addition, 255,927 pounds of field root and garden vegetable seeds, particularly mangel and garden pea seed, with a value of \$78,790.58, were exported to liberated countries in Europe.

On order of the British Ministry of Food, the following vegetable seed production was contracted for with producers to be delivered from the 1945 crop: Beet - 40,000 lbs., Cabbage - 10,000 lbs., Carrot - 50,000 lbs., Cucumber - 5,000 lbs., Lettuce - 40,000 lbs., Onion - 149,000 lbs., Peas - 2,336,000 lbs., Radish - 170,000 lbs., Vegetable Marrow - 10,000 lbs.

Contracts have been arranged with growers of biennial crops for seed to be delivered from the 1946 crop to the British Ministry of Food as follows: Cabbage - 15,000 lbs., Carrot - 25,000 lbs., Onion - 20,000 lbs.

Other Seeds - During the year, in addition to those seeds already mentioned, exports by the Special Products Board to allied and liberated countries were as follows:

	<u>Quantity</u> Bushels	<u>Value</u> \$
To United Kingdom -		
Flax Seed - Bison & Royal	1,476	8,214.00
To Belgium -		
Flax Seed (Fibre)	3,680	23,668.80
To UNRRA -		
Field Peas	36,738	176,340.00
To Military Relief -		
Seed Corn (open pollinated)	72,340	199,410.84

#### CERTIFIED SEED POTATO SECTION

Purchases of certified seed potatoes made through the Board totalled 352,670 bushels valued at \$694,087.45. Of these, 73,337 bushels valued at \$149,387.45 were sold to the Government of Uruguay, and the rest, totalling 279,333 bushels valued at \$544,700.00, were shipped to the French Government. The full amount received in payment was distributed to the shippers concerned through official Board channels.

Firm Board prices were established for all seed potato sales in New Brunswick, for all export markets except to the U.S.A.

Additional export shipments by New Brunswick shippers to countries other than the U.S.A., totalled 292,544 bushels, as follows: Cuba 177,877 bushels, South Africa 58,666 bushels, Venezuela 49,929 bushels, Dominican Republic 6,072 bushels. Assistance was rendered the shippers in securing cargo space and export permits, when required.

Lack of cargo space prohibited acceptance of substantial business offered through the Board from Middle East countries and Argentina, Brazil and Spain. However, sufficient demand developed from other sources to dispose of the total crop at satisfactory prices before the season ended.





A P P E N D I X

ASSISTANCE TO APPLE GROWERS

	<u>NOVA SCOTIA</u>		<u>BRITISH COLUMBIA</u>		<u>ONTARIO</u>
	<u>Expenditure</u>	<u>Recovery</u>	<u>Net</u>	<u>Expenditure</u>	<u>Expenditure</u>
1939-40	\$ 3,115,705.32	\$ 881,062.91	\$ 2,234,642.41	\$ 37,641.96	\$ 4,097.82
1940-41	2,471,015.34	1,399,204.48	1,071,810.86	616,693.41	3,819.10
1941-42	1,768,670.13	352,672.73	1,415,997.40	311,434.37	-
1942-43	2,470,239.02	474,032.29	1,996,206.73	261,414.06	-
1943-44	1,187,666.00	-	-	56,002.50	-
1944-45	2,182,461.00	978,850.00	1,203,611.00	28,042.80	-
	\$ 13,195,756.81	\$ 4,085,822.41	\$ 7,922,268.40	\$ 1,311,229.10	\$ 7,926.92

FERTILIZERS SUBVENTIONS

<u>Fiscal Year 1942-43</u>				<u>Fiscal Year 1943-44</u>				<u>Fiscal Year 1944-45</u>			
<u>No. of Farmers</u>	<u>Tons of Fertilizer</u>	<u>Amount of Subvention</u>		<u>No. of Farmers</u>	<u>Tons of Fertilizer</u>	<u>Amount of Subvention</u>		<u>No. of Farmers</u>	<u>Tons of Fertilizer</u>	<u>Amount of Subvention</u>	
160,057	197,834	\$ 970,314.78		162,285	217,784	\$ 828,818.48		375,000	500,000	\$ 401,020.60	

ASSISTANCE REGARDING LIME FOR SOIL AMENDMENT

<u>Fiscal Year 1943-44</u>				<u>Fiscal Year 1944-45</u>	
<u>Tons of Lime</u>	<u>Amount of Assistance</u>	<u>Tons of Lime</u>		<u>Amount of Assistance</u>	
23,537,283	\$ 213,275.60	233,000			\$ 218,350.25

ASSISTANCE REGARDING LIME FOR SOIL AMENDMENT





AGRICULTURAL PRODUCTS SHIPPED TO THE UNITED KINGDOM

	1940	1941	1942	1943	1944
	Quantity (lbs)	Quantity (lbs)	Quantity (lbs)	Quantity (lbs)	Quantity (lbs)
Bacon	331,000,000	425,617,941	600,013,000	675,000,000	660,000,000
Pork Offals	2,300,098	12,689,924	10,646,923	11,400,000	12,600,000
Canned Pork	-	-	6,000,000	11,900,000	35,000,000
Lard	-	4,400,000	-	-	9,000,000
Hog Casings	-	-	453,000	738,000	847,000
Beef	-	-	-	-	121,500,000
	Value	Value	Value	Value	Value
Total Value	\$ 61,094,000.	\$ 71,581,000.	\$ 122,148,000.	\$ 151,423,000.	\$ 184,798,250.

	1940	1941	1942	1943
	Quantity (lbs)	Quantity (lbs)	Quantity (lbs)	Quantity (lbs)
Cheese	93,081,238	115,392,071	142,092,573	114,112,763
Evaporated Milk	36,065,376	30,895,632	32,083,344	14,439,744
	Value	Value	Value	Value
Cheese	\$ 13,009,759	\$ 16,595,917	\$ 29,392,867	\$ 22,822,553.
Evaporated Milk	\$ 2,817,056	\$ 2,632,723	\$ 2,953,697	\$ 1,428,933.

	1944
	Quantity (lbs)
Cheese	123,138,058
Evaporated Milk	14,420,832
	Value
Cheese	\$ 25,953,280
Evaporated Milk	\$ 1,445,087

MEAT BOARD

Dairy Products Board



PRODUCTS EXPORTED BY THE SPECIAL PRODUCTS BOARD

FRUIT AND VEGETABLE PRODUCTS

From the 1939 Crop

N. S. Canned Apples	57,753 cases, 6/10's	\$71,742.95
N. S. Canned Apples	11,313 cases, 2 $\frac{1}{2}$ 's	16,372.51
N. S. Evaporated Apples	1,064,200 pounds	48,316.56
		<u>\$136,432.02</u>

From the 1940 Crop

N. S. Canned Apples	525,194 cases, 6/10's	\$732,695.85
N. S. Canned Apples	108,251 cases, 2 $\frac{1}{2}$ 's	243,192.70
N. S. Evaporated Apples	2,072,150 pounds	103,607.50
N. S. Dried Apple Pomace	931,106 pounds	23,659.03
B. C. SO <sub>2</sub> Strawberries	2,517,960 pounds	165,679.19
B. C. SO <sub>2</sub> Greengage	17,310 pounds	581.94
		<u>\$1,269,416.21</u>

From the 1941 Crop

N. S. Evaporated Apples	5,807,350 pounds	\$348,441.00
N. S. Dried Apple Pomace	2,104,334 pounds	69,612.38
B.C. Fresh Apples	1,199,990 Boxes	2,106,245.24
Ont. Fresh Apples	9,579 barrels	35,921.25
N. S. Fresh Apples	101,465 barrels	304,395.00
N. S. Concentrated Apple Juice	3,982 barrels	124,181.90
B. C. SO <sub>2</sub> Strawberry Pulp	2,724,710 pounds	188,600.94
B. C. SO <sub>2</sub> Plum & Prune Pulp	3,615,155 pounds	161,740.12
B. C. SO <sub>2</sub> Raspberry Pulp	224,000 pounds	19,049.00
B. C. SO <sub>2</sub> Black Currant pulp	128,014 pounds	14,557.31
B. C. Fresh Onions	800,000 pounds	24,000.00
Ont. Canned Tomatoes	300,000 cases	651,577.07
		<u>\$4,048,321.21</u>

From the 1942 Crop

B. C. Evaporated Apples	6,727,050 pounds	\$491,339.74
B. C. SO <sub>2</sub> Strawberry Pulp	1,186,640 pounds	117,339.62
B. C. Dehydrated Onions	527,760 pounds	383,335.64
Ont. Tomato Pulp	51,779 cases	255,005.59
B. C. Tomato Puree	28,798 4-gal. cans	64,795.50
N. S.)		
N. B.) Dehydrated Potatoes	1,718,250 lbs.	567,022.50
Ont. )		
Ont. Dehydrated Cabbage	44,040 lbs.	30,828.00
B. C.)		
Ont. ) Dehydrated Carrots	56,190 lbs.	25,599.00
Ont. Dehydrated Turnips	40,740 lbs.	16,296.00
		<u>\$1,951,561.59</u>

From the 1943 Crop

N. S. Evaporated Apples	3,360,000 pounds	\$436,800.00
B. C. Fresh Apples	199,998 boxes	480,788.32
N. S. Fresh Apples	160,968 $\frac{1}{2}$ barrels	771,924.85
Dehydrated Potatoes	7,529,910 lbs.)	
Dehydrated Cabbage	1,016,388 lbs.)	
Dehydrated Carrots	859,658 $\frac{1}{2}$ lbs.)	4,204,281.92
Dehydrated Turnips	725,480 lbs.)	
Dehydrated Beans	13,088 lbs.)	
Dehydrated Onions	8,000 lbs.)	
Ont. Canned Corn	1,000 cases	3,092.25
Ont. Dried Beans	49,780 bushels	174,711.49
Canned Diced Carrots	55,738 cases	191,809.98
		<u>\$6,263,408.81</u>

From the 1944 Crop (to March 31, 1945)

N. S. Fresh Apples	166,824 barrels	\$978,850.00
B. C. Fresh Apples	524,988 boxes	1,268,869.02
Evaporated Apple Rings	5,482,250 lbs.	Price not available
Canned Corn	1,000 cases	3,010.00
Dried Beans	408,000 bushels	Price not available
SO <sub>2</sub> Strawberries	200,200 lbs. )	276,785.51
SO <sub>2</sub> Raspberries	1,400,000 lbs. )	
Dehydrated Potatoes	4,333,454 lbs. )	
Dehydrated Cabbage	1,909,576 lbs. )	
Dehydrated Carrots	450,371 lbs. )	Price not available
Dehydrated Turnips	124,255 lbs. )	
Dehydrated Onions	6,010 lbs. )	

Partial - Contracts not completed

POULTRY PRODUCTS

1941 - Shell Eggs		
Board	13,715,610 doz.	\$3,643,612.88
Non-Board	1,620,990 doz.	430,530.00
	15,336,600 doz.	\$4,074,142.88
1942 - Shell Eggs	4,133,460 doz.	\$1,324,943.21
Dried Eggs	11,567,149 lbs.	11,833,634.14
1943 - Dried Eggs	11,744,000 lbs.	\$13,985,397.49
Poultry	253,699 lbs.	93,190.96
1944 - Dried Eggs	27,575,763 lbs.	34,182,843.00
to Poultry to United Kingdom	1,973,089 lbs.	774,007.63
March, 1945 to United States	21,578,423 lbs.	(approx.) 6,128,220.00

SEEDSFrom the 1942 Crop

(a) to the U. K.		
Alfalfa	180,120 lbs.	\$73,769.66
Corn (Comptons Early)	400 bus.	1,240.00
Flax (Bison)	150 bus.	480.00
Flax (Royal)	200 bus.	670.00
		<u>\$76,159.66</u>
(b) to the U. S.		
Alfalfa	79,770 lbs.	28,351.25
		<u>\$104,510.91</u>

From the 1943 Crop

(a) to the U. K.		
Alsike	487,350 lbs.	\$174,031.01
Alsike and White	190,950 lbs.	73,515.75
Timothy	536,040 lbs.	54,944.10
Alfalfa	352,100 lbs.	187,493.22
Altaswede	60,000 lbs.	27,000.00
Crested Wheat	12 lbs.	Nil
Crested Rye Grass	12 lbs.	Nil
Beans	7,641 lbs.	932.01
Lettuce	2,041 lbs.	1,853.40
Onion	36,356 lbs.	103,679.20
Radish	14,000 lbs.	5,760.00
Cauliflower	248 lbs.	3,720.00
Cucumber	75 lbs.	159.00
Corn	560 lbs.	Nil
Flax (bison and Royal)	22,400 lbs.	2,520.00
Tree Seeds	500 lbs.	1,005.00
		<u>\$636,612.69</u>
(b) to the U.S.		
Alfalfa	44,950 lbs.	14,638.50
(reject and sweet clover mix)		<u>\$651,251.19</u>



From the 1944 Crop (to February 28, 1945)

	<u>Amount</u>	<u>Value</u>
(a) to the U.K.		
Alsike	15,000 lbs.	\$5,700.00
Alsike and White	58,800 lbs.	25,578.00
Timothy	960,720 lbs.	98,041.20
Alfalfa	448,350 lbs.	261,003.85
Altaswede Red Clover	97,650 lbs.	44,012.50
Mammoth Red Clover	107,550 lbs.	42,322.50
Flax (Bison & Royal)	1,476 bus.	10,036.80
Beet	21,635 lbs.	14,994.50
Cabbage	1,176 lbs.	2,174.00
Carrot	142,029 lbs.	119,697.90
Cauliflower	4,601.5 lbs.	62,320.00
Cucumber	945.5 lbs.	945.00
Leek	3,960 lbs.	12,870.00
Lettuce	18,747 lbs.	16,886.20
Marrow	6,406 lbs.	6,750.20
Onion	162,066 lbs.	359,398.00
Peas	1,231,997 lbs.	134,703.45
Radish	84,702 lbs.	33,566.00
Tomato	3,759.5 lbs.	22,377.00
		<u>\$1,273,777.00</u>
(b) to the U.S.		
Alfalfa	838,482 lbs.	488,415.76
(c) to Russia		
Alfalfa	300,000 lbs.	174,750.00
(d) to Belgium		
Red Clover - Medium	152,550 lbs.	66,359.25
(e) to UNRRA or Military Relief		
Garden Peas	110,160 lbs.	11,016.00
Yellow & Blue Peas	2,649,570 lbs.	211,965.60
Mangel Seed	65,047 lbs.	29,271.15
Onion Seed	600 lbs.	1,618.55
Corn	30,400 bus.	84,749.75
		<u>\$338,621.05</u>

FLAX FIBRE

<u>Processing &amp; Agreement Year</u>	<u>Amounts of Flax Fibres Exported</u>		<u>Total Value</u>
	<u>(all grades)</u>	<u>(pounds)</u>	
	<u>To Great Britain</u>	<u>To U.S.A.</u>	
1941-42	1,721,536	-	\$ 369,143.10
1942-43	7,571,990	931,729	2,074,795.44
1943-44	8,232,437	135,792	2,065,787.65
1944-45	1,236,427	-	217,151.28
			<u>\$4,726,877.47</u>

CERTIFIED SEED POTATOES

<u>Crop</u>	<u>Destination</u>	<u>Quantity (Crates)</u>	<u>Total Value</u>
1942	Uruguay	53,542	\$ 161,964.55
1943	Uruguay	40,120	160,530.15
1944	Uruguay	40,002	149,387.45
1944	France	16,760,000 (lbs)	544,700.00
			<u>\$1,016,582.15</u>







